

HOUSE BILL 1830  
By Rinks

AN ACT to amend Tennessee Code Annotated, Section  
67-2-119, relative to distribution of the Hall Income  
Tax to cities and counties.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-2-119(a), is amended by deleting the words and punctuation "shall be distributed among the cities and counties of the state." and by substituting instead the following:

shall be distributed among the cities and counties of the state as follows:

(1) Funds paid to counties shall be distributed in proportion as the population of each county bears to the aggregate population of all municipalities according to the 2000 federal census or any subsequent federal census.

(2) Funds paid to cities shall be distributed to eligible municipalities within the state in proportion as the population of each municipality bears to the aggregate population of all municipalities according to the 2000 federal census or any subsequent federal census; provided, that in the case of any area annexed to a municipality subsequent to the latest federal decennial census the municipality may have a special census within the annexed area taken by the federal bureau of the census, in which case the population of the municipality shall be revised and increased in accordance with the special census for purposes of distributing such funds, effective on the next July 1, following the certification of the census results to the commissioner of finance and administration; and provided further, that the aggregate population of all municipalities used as a base for calculating such distribution shall be adjusted in accordance with any such special census, effective the same date as aforementioned. Any eligible

municipality incorporated after the last federal decennial census may likewise have a special census taken and shall share in the distribution of funds under subsection (a) beginning on the next July 1 following certification of the census results to the commissioner; the aggregate population shall likewise be adjusted in accordance with any such special census, effective the same date as aforementioned. Notwithstanding any provision of this section or any other law to the contrary, from the funds provided each year to implement the provisions of this subsection, there shall be earmarked and allocated the sum of five million dollars (\$5,000,000) to the department of economic and community development for the sole purpose of making grants to counties and municipalities for the sole purpose of encouraging and promoting consolidation of governmental services to achieve greater efficiencies and economies for the taxpayers.

SECTION 2. Tennessee Code Annotated, Section 67-2-119, is amended by deleting subsection (b) in its entirety.

SECTION 3. Tennessee Code Annotated, Section 67-2-119, is further amended by deleting subsection (c) in its entirety.

SECTION 4. Tennessee Code Annotated, Section 67-2-119, is further amended by deleting subsection (e) in its entirety.

SECTION 5. This act shall take effect July 1, 2005, the public welfare requiring it.